

Padukottai and Shivganga in Tamil Nadu. In the second phase it will be implemented in Tiruvannamalai. Depending upon the project's success in these two districts, NABARD will consider extending the programme to other districts of the State and the country as a whole.

Services rendered by PSUs to Government departments

2965. SHRI MOTIUR RAHMAN: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether 133 Public Sector Undertakings (PSUs) made sales/ rendered services worth Rs. 71,033 crore to Government department;
- (b) if so, the details thereof indicating the details of goods/services rendered to Government departments together with their rates etc.—goods/ services-wise;
- (c) whether the goods/services purchased by Government department from PSUs are available in the open market at cheaper rates; and
- (d) if so, the reasons for purchasing the same at higher rates from PSUs?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) and (b) The sales/ services of Central Public Sector Enterprises (CPSEs) to different customers including Government Departments relates to day-to-day activities of these enterprises. As per available information during 2004-05, 132 CPSEs had made sale to Government departments amounting to Rs. 71027.09 crore.

(c) and (d) The Government Departments/Organizations/CPSEs may make purchases from the open market as per competitive prices by following the laid down procedures, if any, in this regard. However, in order to provide level playing field or enabling the CPSEs to utilize the created capacities by them particularly by loss making/sick enterprises the Government has introduced a Purchase Preference Policy under which the Government Departments/Organizations/CPSEs are required to make purchases from CPSEs at lowest valid bid price (L1 price) if the price quoted by the supplying CPSE is within 10% of the L1, other things being equal.